



PSC NEWS

Missouri Public Service Commission

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PSC APPROVES AGREEMENT REACHED IN CASS COUNTY TELEPHONE EARNINGS INVESTIGATION CASE

Jefferson City (April 30, 2004)---The Missouri Public Service Commission has approved an agreement reached by the PSC Staff, the Office of the Public Counsel and Cass County Telephone Company which reduces the annual telephone revenues of the telephone company by approximately \$320,000.

The agreement calls for a \$154,948 reduction in the access rates that long distance carriers pay to the Cass County Telephone Company for access to their network to complete a long distance call. In addition, the agreement calls for a \$154,948 reduction in the monthly Metropolitan Calling Area (MCA) plan rate for subscribing customers in Tier 4 and Tier 5 exchanges. The residential rate for Tier 4 subscribing customers will be reduced from \$21.55 a month to \$20.55 a month under the agreement. In Tier 5 exchanges, the residential rate for subscribing customers will drop from \$32.50 a month to \$28.27 a month. As a result of the agreement, local governments will receive a \$10,102 rate reduction for enhanced E911 service.

The agreement was filed with the Commission on February 5, 2004. The PSC Staff and the Office of the Public Counsel indicated that after they entered into the agreement, they became aware of a federal criminal indictment against USP&C, a company with alleged ties to the Cass County Telephone Company. The PSC Staff indicated that it investigated the allegations and found no evidence that would justify delaying the effectiveness of the agreed upon rate reductions for customers of the Cass County Telephone Company. Staff further indicated that there is nothing in the stipulation and agreement that would preclude it from further investigating Cass County Telephone if such an investigation is needed.

The Commission's order approving the agreement states: "After reviewing the unanimous stipulation and agreement, Staff (PSC Staff) and Public Counsel's (Office of the Public Counsel) suggestions in support, and after hearing testimony at the on-the-record presentation, the Commission finds that the stipulation and agreement filed on February 5 should be approved to allow the rate reduction to go into effect. The Commission is still concerned about the allegations surrounding the company and will consider opening a separate case to monitor developments regarding those allegations."

The Cass County Telephone Company serves approximately 8,000 access lines in Missouri.

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